

Revenue and Cost: June Claim for Reimbursement School Nutrition Programs

Part II – Revenue (items 17-22)

Part II is to be completed only on the *June* claim for reimbursement. *Yearly revenue totals for Summer Seamless Feeding Waiver (SSFW) sites must be included in the revenue totals reported on the June school nutrition claim form.* All monetary figures entered on the claim form must be rounded to the nearest dollar.

Revenue is reported annually in line items 17 through 22 according to the program in which the revenue was earned. Revenue may be reported by using one of the following two accounting methods:

- **Cash** - Actual receipts during the year, or
- **Accrual** - All anticipated revenue earned during the year

If enrollment is 2,500 children or more, revenue must be reported on an accrual basis. Other exceptions to reporting accrued revenue are noted.

Item 17 Column H, Daily Sales (Actual Receipts): For all sponsors, this item **Through** should be reported on a cash basis. In each of the appropriate items 17 **Item 22.** through 22, report actual cash received from children during the year for meals served under the National School Lunch, Basic Breakfast, Especially Needy Breakfast, and Meal Supplements programs.

On line Item 21 report actual cash received during the year from all other daily sales, such as a la carte sales, snack bar sales (including milk), and adult sales.

Note: If the cost of meals or a la carte food is included in a tuition fee and no separate charge is made to the children, column H should be left blank.

Column I, Federal Reimbursement: On the appropriate lines, items 17 through 20, report the sponsor's federal reimbursement for the National School Lunch, Basic Breakfast, Especially Needy Breakfast, or Meal Supplements programs. Include cash-in-lieu of commodities, if any. The SSFW reimbursement should be included under the appropriate meal type. The SSFW supper reimbursement should be reported under "National School Lunch."

- **Cash Sponsors.** Enter the federal reimbursement received during the year. Warrants for the federal reimbursement are identified as Federal Trust Fund. The remittance advice, which accompanies the warrant, will identify the portions of the total reimbursement to be reported under each program.
- **Accrual Sponsors.** Enter the federal reimbursement earned during the year. The Monthly Reimbursement Calculation Worksheet (CNFS 71-7, Appendix A-3) may be used to compute the amount reported in each line item. Do not submit the work sheet with the sponsor's claim form.

Column J, State Reimbursement: Enter the basic state reimbursement for the National School Lunch, Basic Breakfast, or Especially Needy Breakfast programs. The SSFW reimbursement should be included under the appropriate meal type. The SSFW supper reimbursement should be reported under “National School Lunch”. In addition, include state reimbursement for eligible meals served in schools that are participating in the State Meal Program under the mandate of Education Code Section 49550 (Chapter 1010, Statutes of 1976).

- **Cash Sponsors.** Report the state reimbursement received during the year on the appropriate line item. Warrants for the state reimbursement will be identified as General Fund. State meal reimbursement is paid on a monthly basis. Cash sponsors need to allocate, on a participation percentage basis, the amount of the warrant among the National School Lunch, Basic Breakfast, and Especially Needy Breakfast programs if the sponsor participates in more than just the National School Lunch Program. Do not forget to include the SSFW reimbursement under the appropriate meal type.
- **Accrual Sponsors.** Enter state reimbursement earned during the year. The Monthly Reimbursement Worksheet (CNFS 71-7, Appendix A-3) may be used to compute the amounts reported on each line item. Do not submit the worksheet with the sponsor’s claim form. Do not forget to include the SSFW reimbursement under the appropriate meal type.

Column K, Needy Meal Tax/Revenue Add On: This item will reflect funds transferred into the cafeteria account or fund from general funds that were previously known as the Meals for Needy Pupils Permissive Override Tax (Schedule G of the Revenue Limit Data Sheets and Schedules for Kindergarten through Grade Twelve School Districts). This transfer of funds should be performed on the basis of a documented bidding procedure. The amount will be reported on line items 17 through 20, on the basis of the programs that the sponsor’s district chooses to subsidize.

Column L, Other: Report all the other revenue for the year from sources not identified in the above columns. Examples of other revenue are as follows:

- Cash donations
- Interest
- Rebates (money received from the vendor after costs have been reported)
- Percentage from vendors who operate their own machines

Revenue from these sources should be allocated to the various programs by percent of participation in each program or percent of daily sales in each program. Revenue from banquets, contract sales, sale of food or supplies to organizations, and so forth, should be reported on line item 21 (Miscellaneous Food Services).

Column M, Total: For each line item 17 through 22, add the figures that are reported in each column and insert the totals in column M. Verify all totals for accuracy. Claims will be rejected that reflect only data in the total column.

Part III - Costs Incurred

Part III is to be completed only on the *June* claim for reimbursement. *Yearly cost totals for Summer Seamless Feeding Waiver (SSFW) sites must be included in the cost totals reported on the June*

school nutrition claim form. All monetary figures entered on the claim form must be rounded to the nearest dollar.

Costs are reported annually in line items 23 through 26. When completing the cost section, adhere to the following guidelines:

- Costs must reflect charges incurred by the food service operation regardless of the source of payment.
- Costs must be reported as they are incurred, not as they are paid.
- Costs for providing contract sales and adult meals cannot be included under the cost areas unless cash is received for those sales and is reported as revenue in item 21H.
- Costs for supper cannot be reported under any of the cost areas unless served at a SSFW site.
- Costs for RCCIs must be allocated according to the costing methods described in Appendix A-11 Allocating Food Service Costs for RCCIs.

Agencies that provide support to the food service programs through the General Fund may allocate their support costs and include them in their reported costs.

For more detailed information on allocating costs and cost allocation methods, refer to Appendix 11 for RCCIs and Appendix 12 for Non-RCCIs.

Item 23. Food: Enter the total cost of purchased food during the year for which the sponsor is reporting. The sponsor must have invoices showing dates and actual costs. Allowable food costs include these listed below:

- All edible items of purchased food for meals and milk. Do not include costs for supper unless it was served at a SSFW site. Include the cost of contract food items or adult meals only if revenue for those items was reported on line Item 21.
- The costs for processing (e.g., canning, freezing, baking by commercial company), distributing, transporting, storing, or handling any purchased food, and the transportation and handling costs for USDA-donated commodities received during the year. Do not include the fair market value of donated food.
- The contract prices for reimbursable meals and milk for those sponsors that contract for the receipt of breakfasts, lunches, supplements, and milk (and suppers served at SSFW sites).

Schools must use the inventory method for computing the cost of food used. Residential Child Care Institutions must refer to Appendix A-11, "Allocating Food Service Costs for RCCIs".

Sponsors that receive meals from another agency or private company must report the contract price as food cost.

Item 24. Labor: Enter costs for all wages and employee benefits for labor dedicated to the food service program (direct) and labor allocated to the food service program (support). Labor costs are those costs generated as a result of a service provided by someone employed by the sponsor. **Include costs incurred (both paid and unpaid) during the year for which the sponsor is reporting.** Include payroll

deductions for social security, withholding tax, employee insurance, retirement, and employee benefits. Do not include the value of donated labor.

Item 25. Other: Enter the cost of supplies during the year. Cost is derived by using the inventory method (beginning inventory plus purchases less ending inventory). Supplies are those nonfood items that cost less than \$500 or have a useful life of less than one year. Enter the cost of purchased services during the year (both paid and unpaid). A purchased service is a cost generated as a result of a service provided by a person or agency outside of the sponsor's agency. In addition, include other costs dedicated to food services and costs allocated to food services (such as rental of equipment, repairs, training, travel expenses, audits, laundry, mileage, utilities, fire insurance, and so forth) regardless of the source of payment within the agency.

Equipment costs reported as a part of operating costs must be determined by a depreciation schedule. See page 31, Depreciation of Nonexpendable Food Service Equipment.

Include the cost of office space in public buildings (which includes such items as maintenance, custodial services, and utilities) or the cost of rent by contractual agreements other than rental-purchase agreements or leases with an option to purchase.

Enter any other applicable costs that were not included as food or labor.

Do not report as a cost the following items:

- Any money transferred into an equipment replacement fund
- *Actual* cash expenditures for equipment (cost must be calculated by using depreciation method described on page 31)
- The portion of costs allocated to supper (except for Residential Child Care Institutions or suppers served at a SSFW site)

Item 26. Total Costs: Add the figures entered in items 23 through 25. Verify all totals to ensure the accuracy of figures. An error or omission on the claim form may result in a delay or loss of reimbursement.